



## United States Department of the Interior

### BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155  
<http://www.blm.gov>



IN REPLY REFER TO:  
3590  
UTU-0126940  
(UT-923)

OCT 07 2009

CERTIFIED MAIL--Return Receipt Requested 7008 1140 0000 3706 1031

Mr. Stuart Green  
American Gilsonite Company (AGC)  
29950 South Bonanza Highway  
Bonanza Utah, 84008

RECEIVED

OCT 08 2009

DIV. OF OIL, GAS & MINING

Re: Mine Plan Modification Approval, Federal Gilsonite Lease UTU-0126940, B-46 Shaft and facilities.

### MINE PLAN MODIFICATION APPROVAL

**Background-** BLM received a request from the American Gilsonite Company to relocate their approved B-46 mine site approximately 400 feet to the Southeast. This relocation will require substantially less cut and fill to level the surface for mining operations. The facilities will be located on a small hill which is flat on the top instead of a ravine. The mining plan was approved on April 2, 1982 which includes shafts and ancillary facilities at the B-44 through B-56 shaft locations along with access and power lines to the sites. The B-46 site as shown in the original plan will provide a secondary means of egress from the B-48 shaft as required by the Mine Safety, Health Administration in 30 CFR Part 57.11050, along with production facilities to mine the gilsonite.

The B-44 shaft was sunk and operations had temporarily ceased. The reason for the change in timing is the fact that B-44 shaft and underground workings have filled with water. The underground workings extend below where the B-46 shaft would be sunk. To avoid mining into or around underground areas filled with water ACG has asked to begin mining at the B-48 site and then recover the ore as they mine back towards the B-44 shaft and workings.

**Approval-** BLM approves the relocation of the B-46 shaft and ancillary facilities per the submitted plan (See Enclosed Map).

**NEPA-** A Determination of NEPA Adequacy was conducted on the Environmental Assessment, FY-1982-009, and this is documented in DNA-UT-USO-09-006.

**Bond-** Prior to commencement of construction activities a bond shall be posted by American Gilsonite Company (AGC) in the amount required by BLM. Ninety (90) days prior to the start of construction AGC shall request to start construction and request a bond amount from the BLM. Upon completion of the BLM bond amount determination, American Gilsonite shall submit a bond in the amount required by BLM. BLM

may adjust the bond at any time. Bonding for the rentals on this lease is covered by the bond on the B-46 shaft site.

### **Conditions of Approval-**

1. **Bond.** No construction will be allowed on this site until a bond is posted with the BLM in the amount required.
2. **Consultation.** The AO may conduct Native American Consultation based upon the significance of any discovery of cultural resources within the lease area. Additional operational conditions or stipulations may result.
3. **As Built Drawings.** The Lessee will submit to the Deputy State Director, Lands and Mineral Resources, BLM Utah State Office, at the above address, a scaled map showing the construction and the survey coordinates (State Plane or metes and bounds description) of each of the mine features, buildings, and vein, within 90 days after construction is complete. The surveyor that conducts the survey will be licensed and shall stamp the drawing. Land features will be shown on the drawing. These will include but are not limited to section corners, roads, and section lines. An updated map will be sent to BLM within 90 days after construction is completed on any new sites.
4. **Surface Pillar.** The lessee shall leave a minimum of 35' between the surface and the upper most workings in the mine. Any proposed surface pillar size of more than 50 feet or less than 35 feet will require prior approval by BLM. The lessee will submit documentation to the AO showing reduced pillar size will not result in any long-term surface subsidence. The AO must approve changes in surface pillar size prior to any changes.
5. **Quarterly Production Maps.** The lessee will submit maps quarterly to the BLM Utah State Office of the BLM showing the amount of gilsonite removed in the previous quarter. These will be submitted on 15 Jan., 15 Apr., 15 Jul. and 15 Oct. The maps will be scaled and show the depth of cut and the thickness of the vein at intervals that can be used to verify production. These maps shall be certified by a registered engineer, land surveyor or an official of the company.
6. **Yearly Mining Plan.** By 15 January of each year, the lessee will submit a one-year mine plan to the BLM Utah State Office showing the proposed mining sequences for the coming year on a scaled map. The one-year plan will describe the extraction sequence and the projected tonnages of ore to be extracted for that year.
7. **Lease Boundary Marking.** The lessee will mark the corners of the boundary of the lease with metal fencing posts and metal painted signs at each corner of the lease. The signs will show as a minimum the legal subdivision and the Federal gilsonite lease number. These signs will be located by survey. A scaled copy of this survey (map) will be sent to BLM Utah State Office 180 days after the start of construction of surface facilities.
8. **Groundwater.** Should groundwater flow be encountered in quantities greater than 5 gallons per hour during operations, the lessee/operator shall contact the Vernal Field Office Mining Engineer and the Vernal Field Office Hydrologist or Geologist (435-781-4400) within 24 hours of the encounter and report on the following:
  - a. True vertical encountered depth
  - b. Subsurface location at which it was encountered
  - c. The approximate flow rate into the mine
  - d. Association of flow with any major geologic feature such as a fault or fracture surface.

- i. Based upon this information, the AO will determine if the lessee will be required to monitor the effect of the flow into the mine on any nearby geologic formations, wildlife, or stock wells. If effects are found the AO will require the lessee mitigate the effects.
  - ii. All groundwater flows encountered in the mine shall be sampled and analyzed for the requirements of the discharge permit and any other parameters required by the AO to include but not limited to, total dissolved solids, pH, and total suspended solids. Results shall be provided to the Vernal Field office Hydrologist and Mining Engineer (Vernal District Office, 170 L., 500 E., Vernal, UT, 84078) within 30 working days of encountering the water.
9. **Signage.** The lessee shall maintain a sign on the outside the hoist house at the working site that lists the Federal lease number.
10. **Shaft Sealing.** Final designs shall be submitted and reviewed by BLM prior to seal construction. The collar and other structures shall be removed.
  - a. **Concrete Seals:** The final concrete seal over openings that penetrate the surface must conform to the following as a minimum:
    - i. Bedrock - If the seal is to be in an exposed rock outcrop, the top of the seal shall be constructed so as to conform to the contour of the outcrop and shall be no higher than the adjacent rock. The color of the concrete shall be of such a color as to blend in the surrounding rock outcrop. The bottom of the seal shall sit on bedrock and shall be placed in the gilsonite.
    - ii. Soil Area- There shall be no alluvial material between the shaft cover and the gilsonite in the vein and the seal must be in-bedded in the gilsonite on the vein side of the cover.
11. **Paleontology.** The lessee shall stop construction activities and notify the AO if paleontological resources (vertebrate fossils) are exposed or identified during construction or mining. The BLM will provide mitigation measures to allow construction or mining. Costs of mitigation will be borne by the lessee.
12. **Containment Berm.** No topsoil from the lease shall be used in the construction of the containment berm on the low side of the shaft and ore bin area.
13. **Noxious Weeds.** The lessee will control noxious weeds on areas disturbed by mining and on adjacent undisturbed lands which will extend 50 feet beyond the disturbance. This shall be accomplished while these sites remain disturbed during operations and during reclamation until the AO has released the area. A list of noxious weeds may be obtained from the BLM or the appropriate County Extension Office. If herbicides or other pesticides or possibly hazardous chemicals are to be used, it is required that a Pesticide Use Proposal be submitted by the lessee and approved by the AO prior to any application.
  - a. **CURRENT LIST OF UTAH NOXIOUS WEEDS**
  - b. Utah State Commissioner of Agriculture has officially designated 18 species listed below as noxious in Utah. Any changes/additions to this list will be required to be controlled under this condition of approval.

c.	<u>CODE</u>	<u>COMMON NAME</u>	<u>SCIENTIFIC NAME</u>
i.		Bermudagrass	<i>Cynodon dactylon</i> (L.) Pers.
ii.		Field Bindweed	<i>Convolvulus</i> spp. (Wild Morning-glory)
iii.		Broad-leaved Pepperweed	<i>Lepidium latifolium</i> L. (Tall Whitetop)

iv.	Canada Thistle	<i>Cirsium arvense</i> (L.) Scop.
v.	Diffuse Knapweed	<i>Centaurea diffusa</i> Lam.
vi.	Dyers Woad	<i>Isatis tinctoria</i> L.
vii.	Perennial Sorghum spp. including but not limited to Johnson Grass	( <i>Sorghum halepense</i> (L.) Pers. and <i>Sorghum Almum</i> ( <i>Sorghum alnum</i> , Parodi)
viii.	Leafy Spurge	<i>Euphorbia esula</i> L.
ix.	Medusahead	<i>Taeniatherum caput-medusae</i> (L.) Nevski
x.	Musk Thistle	<i>Carduus nutans</i> L.
xi.	Quackgrass	<i>Agropyron repens</i> (L.) Beauv.
xii.	Russian Knapweed	<i>Centaurea repens</i> (L.)
xiii.	Scotch Thistle	<i>Onopordium acanthium</i> L. (Cotton Thistle)
xiv.	Spotted Knapweed	<i>Centaurea maculosa</i> Lam.
xv.	Squarrose Knapweed	<i>Centaurea squarrosa</i> Roth
xvi.	Whitetop	<i>Cardaria</i> spp.
xvii.	Yellow Starthistle	<i>Centaurea solstitialis</i> L.
xviii.	Purple loosestrife	<i>Lythrum salicaria</i>

14. **Reclamation.** A seeding and grading plan and schedule will be submitted and approved by the AO prior to finalizing the reclamation. All disturbed areas will be reclaimed with native plant species. The seed mixture will be provided by the AO. Reclamation will not be accepted until the disturbed lands have attained the 80% of the same plan composition and density as the surrounding lands. The reclamation bond/liability will not be released until the AO accepts the reclamation in writing. Concurrent reclamation practices will be used.
  
15. **Topsoil.** Topsoil will be stripped and salvaged to provide for sufficient quantities to be re-spread to a depth of at least four to six inches (or more if readily available on-site) over the disturbed areas to be reclaimed. Topsoil will be stockpiled separately from subsoil materials. Topsoil to be stored for more than one year will be: 1) windrowed, where possible, to a depth of three to four feet near the margin [other than the margin with the run-off berm] of the north vein mine site; and 2) broadcast seeded with the prescribed seed mixture furnished by the AO immediately after windrowing, promptly followed by a dozer or other tracked vehicle "walking" the windrow to cover the broadcast seed.
  - a. Mulching may be one method considered to enhance the re-establishment of desired native plant communities. If straw or hay mulch is used, the straw and hay must be certified to be weed-free and the documentation submitted to the AO prior to usage.
  - b. Upon the completion of mining operations, all equipment and facilities shall be removed. All waste rock will be dumped into the production shaft before it is sealed. If waste rock is to be left, the lessee must show that it will not contaminate the surrounding area and that there is sufficient topsoil (i.e., greater than 6 inches to cover the rock. All materials left in the mine will be reported to the AO prior to removal of the ability to descend down the shaft via the hoist and bucket. Written approval shall be obtained by the AO to leave the materials in the mine.
  - c. The disturbed areas will be reshaped to approximate the original [pre-disturbance] contour. Stockpiled topsoil shall be spread over the re-contoured areas.
  
16. **Access.** Existing roads shall be utilized except on the new site.

17. **Chemicals.** No chemicals subject to SARA Title III in amounts greater than 10,000 lbs will be used. All spills of petroleum and chemicals will be cleaned up and disposed of in a proper manner.
18. **Condition of Approval Waiver.** Any of these conditions of approval may be waived by the authorized officer (AO) if either the resource values change or the lessee/operator demonstrates to the satisfaction of the (AO) that adverse impacts can be mitigated.

#### **Lease Stipulations**

1. **Cultural:** The Lessee shall contact the Authorized Officer with sufficient information and request a determination if a cultural inventory and/or tribal consultation is necessary. If it is necessary, the lessee shall conduct a cultural resource inventory to BLM Utah Class III inventory standards on all lands that may disturb the surface within the boundaries of the leased lands. The inventory shall be conducted by a qualified professional cultural resource specialist (i.e. Archaeologist, historian, or historical architect, as appropriate), approved by the AO. A report shall be generated of the inventory and recommendation for protecting any cultural resources that are identified. The lessee shall undertake measures, in accordance with instructions from the AO to protect cultural resources on the leased land. The lessee shall not commence the surface disturbing activities until permission to proceed is given by the AO. The cost of conducting the inventory, preparing reports, and carrying out mitigation measures shall be borne by the Lessee.

The lessee shall protect all cultural resource properties within the lease area from lease related activities until the cultural resource mitigation measures can be implemented.

If cultural resources are discovered during the operations under this lease, the lessee shall immediately bring them to the attention of the AO. The lessee shall not disturb such resources except as may be subsequently authorized by the AO. Within two working days of notification, the AO will evaluate or have evaluated any cultural resources discovered and will determine if any action may be required to protect or preserve such discoveries.

All cultural resources shall remain under the jurisdiction of the United States until ownership is determined under applicable law.

2. **Surface Pillar:** The lessee shall be required to leave a surface pillar of sufficient size or to blast the openings closed to insure future surface stability and allow for final reclamation of the area for safe use, as determined by the AO.
3. **Threatened and Endangered Species:** The Lessee shall, prior to entry upon the lease, conduct an intensive field inventory for Threatened, Endangered, Candidate or Sensitive plan species on this areas to be disturbed and/or impacted on the lease and, including access routes to the lease area. The inventory shall be conducted by a qualified specialist(s) approved by the AO and a report of the inventory and recommendation for the protection of these species submitted to and approved by the AO. An acceptable report of any findings shall include the specific location, distribution, and habitat requirements of the species. The Lessee shall protect these species within the lease area from any activities associated with operations conducted under the terms of the lease and shall undertake such protective measures as may be required by the AO.
4. **Paleontology:** Before beginning any surface disturbing activities within the boundaries of the leased lands, the lessee may be required to conduct an assessment of paleontological resources if the Duchesne River, Uinta, or Green River formations are exposed on the surface of the leased lands. An assessment includes a search, conducted by a qualified paleontologist, of information on file at museums, universities, and/or geological surveys, and if necessary a search of published

and unpublished literature. A subsequent field survey for paleontological resources may then be required, in accordance with BLM Handbook 8270-1. The paleontologist shall report any discoveries of significant fossils and recommend mitigation measures in an acceptable report to the AO. Costs of assessment and mitigation shall be borne by the lessee.

If vertebrate fossils are discovered during operations under the lease, the lessee shall immediately notify the AO and avoid disturbing the fossils until the AO or a qualified paleontologist evaluates the discovery (within two working days). Any scientifically significant fossils (all vertebrate remains, tracks or traces, and other fossils identified on a case-by-case basis) shall remain the property of the United States government and must be collected by a qualified paleontologist for storage in a suitable repository.

**5. Royalty Value of Un-Mined Gilsonite:** The lessee shall be required to pay the value of the royalty due on any gilsonite which would have been produced/recovered under the approved mine plan which is otherwise lost or left economically inaccessible by mining practices/techniques, unless approval for leaving the gilsonite has been granted in writing by the authorized officer prior to the mining.

**6. Waste Certification:** The lessee must provide upon abandonment, transfer of operation, assignment of rights, prior to reclamation activities and lease relinquishment, certification to the lessor that, based upon a complete search of all the records for the lease and its associated mine operation(s), and upon lessee's and the operator's knowledge of past mining operations associated with the lease, there have been no reportable quantities of hazardous substances per 40 CFR 302.4 or used oil (*as per Utah State Administrative Code R-315-15*), discharged, deposited, or released within the lease, either on the surface or underground, and that all remedial actions necessary have been taken to protect human health and the environment with respect to any such substances. Lessee must additionally provide to lessor a complete list of all hazardous substances and hazardous materials and their Chemical Abstract Services Registry Numbers, and the oil and petroleum products used or stored on, or delivered to, the lease. Such disclosure will be in addition to any other disclosure required by law or agreement. If there has been a release prior to the time application is made for the relinquishment of all or a portion of the leased area, the lessee shall provide to the Authorized Officer, at lessee's expense, a Phase II, American Society for Testing and Materials (ASTM) Environmental Site Assessment (E1903-97; 2002 or latest version), or an equivalent report (as determined by the Authorized Officer), documenting existing site conditions. Prior to the submission of the Phase II Environmental Site Assessment, the lessee shall provide a proposed work plan, including a schedule, for such Site Assessment to the Authorized Officer. Upon approval of the work plan by the Authorized Officer the lessee shall complete the Site Assessment. To the extent the Authorized Officer determines that further investigation of existing site conditions is necessary prior to relinquishment acceptance, the lessee shall be responsible for such further assessment.

**Notice(s)-**

1. Any exploration or additional activities not included in the Mine Plan Approval must be approved by the BLM prior to commencement.
2. Should mining conditions warrant a change to your mine plan approval (mining and reclamation plan), you must submit, in writing a request for modification to the Vernal Field Office (attn: Mr. Roland Heath) and receive a written approval prior to conducting the proposed modification(s).
3. This approval does not constitute any approval required by other agencies.

For further information contact Mr. Stan Perkes, (801) 539-4036.

Sincerely,

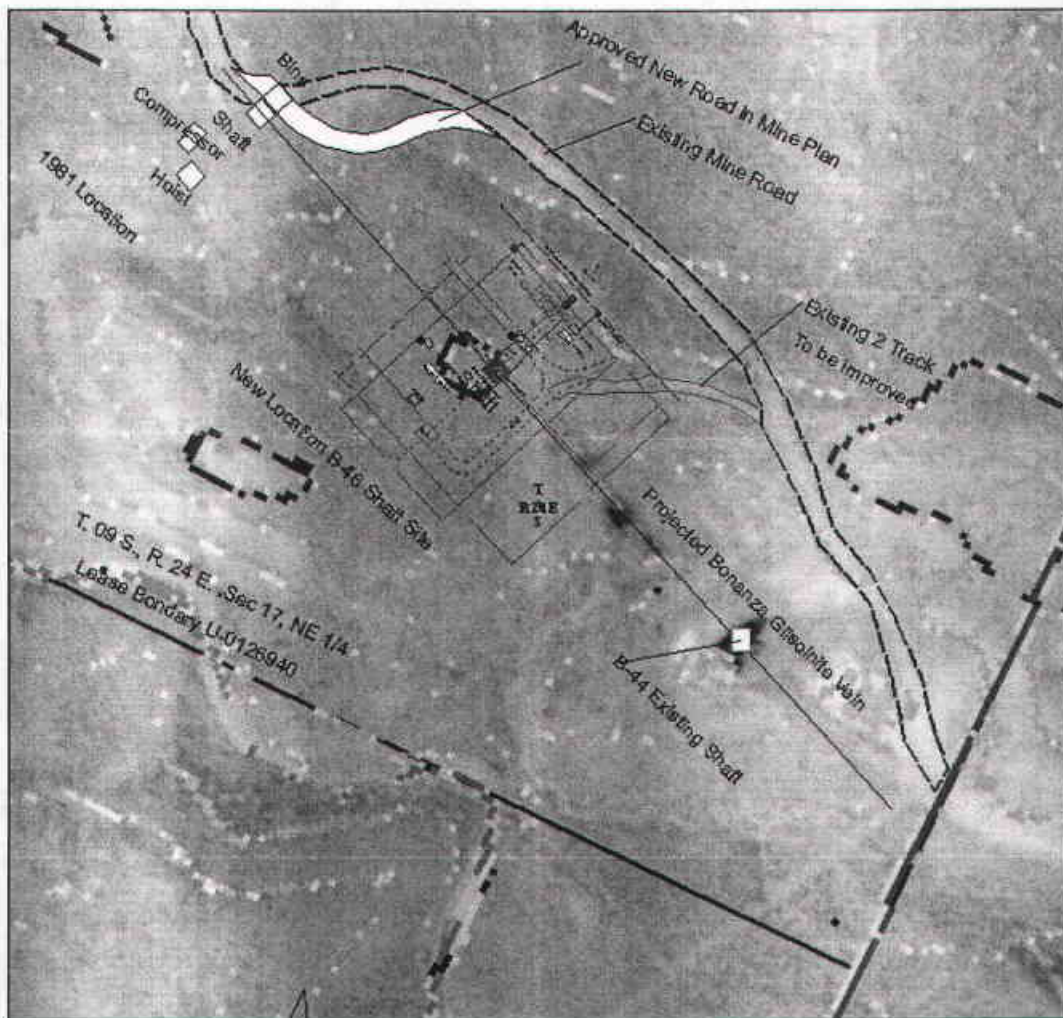
**/s/ Roger L. Bankert**

Roger L. Bankert  
Chief, Branch of Minerals

Enclosure: Map

cc: Vernal Field Office  
Utah Division of Oil, Gas, and Mining (Attn. Leslie Heppler, 1594 West North Temple, P.O. Box  
145801, Salt Lake City, Utah, 84114-5801

bcc: Public case file

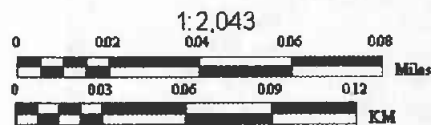


## B-46 Shaft Relocation



United States Department of the Interior  
Bureau of Land Management  
Utah BLM Office

MAP created on 7/21/09, 2009



## CAUTION:

Land ownership data is derived from less accurate data than the 1:24,000 scale base map. Therefore, land ownership may not be shown for parcels smaller than 40 acres, and land ownership lines may have plotting errors due to source data.

No warranty is made by the Bureau of Land Management for the use of the data for purposes not intended by the BLM.

**MINING PLAN APPROVED BY  
BUREAU OF LAND MANAGEMENT**

Recommended By:

*Spencer Perkes*  
Mining Engineer (Date)

9/21/09

Approved By:

*Norman J. Barkner*  
Manager (Date)

10/19/09